



State of Utah

Department of
Natural ResourcesMICHAEL R. STYLER
Executive DirectorDivision of
Oil, Gas & MiningJOHN R. BAZA
Division DirectorJON M. HUNTSMAN, JR.
GovernorGARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	David Shaver	Manager
OGM	Pete Hess	Environmental Scientist III

Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, July 15, 2009
Start Date/Time:	7/15/2009 8:52:00 AM
End Date/Time:	7/15/2009 11:00:00 AM
Last Inspection:	Monday, June 08, 2009

Inspector: Pete Hess, Environmental Scientist IIIWeather: Sunny, clear and hot; 80's F at 9 AMInspectionID Report Number: 2061Accepted by: jhelfric
8/4/2009Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**Operator: **ANDALEX RESOURCES INC TOWER DIVISION**Site: **WILDCAT LOADOUT**Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**County: **CARBON**Permit Type: **PERMANENT COAL PROGRAM**Permit Status: **ACTIVE**

Current Acreages

100.00	Total Permitted
63.70	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☐ Underground
☐ Surface
☒ Loadout
☒ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The submittal of quarterly electronic water monitoring data is current; the Permittee continues to meet this Special Condition of the current State permit.
Stockpile volumes have improved at the facility.

Inspector's Signature: _____

Date: Wednesday, July 15, 2009

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit was renewed on May 5, 2009, for a period of five years.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee completed the second quarter of 2009 impoundment inspections for the sites six sediment ponds, the permanent impoundment and the depression area on May 29, 2009. Mr. Dave Shaver completed the inspections; there were no hazardous conditions or signs of instability noted. The ponds were cleaned prior to the May inspection, and the Permittee has had them surveyed by Ware Engineering Services in order to provide information for the pond re-certification process. This survey data has been forwarded to Blackhawk Engineering Company for completion of the certification process. As observed this day, all ponds were dry, with the exception of pond "C".

4.d Hydrologic Balance: Water Monitoring

A review of the Division's electronic water monitoring data base revealed that the first quarter 2009 information for the Wildcat Loadout permit area had been inserted and uploaded into the permanent data base. All surface water monitoring points (WCW-1 through WCW-4) were reported as "No Flow" conditions, as were the six permitted UPDES outfalls, (ponds A-F). There was no visible flow in any of the sites disturbed area diversions, or in the undisturbed channels adjacent to the permit boundary.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit remains in effect through April 30, 2013. There have been no flows off the disturbed area for approximately two years.

7. Coal Mine Waste, Refuse Piles, Impoundments

The second quarter 2009 waste rock pile inspection for the disposal pile was performed by Mr. David Hibbs, P.E., on May 29, 2009. No hazards or signs of instability were observed during that inspection. All outslopes exist at a 2H:1V gradient or less, and the berm about the crest of the pile prevents runoff from occurring over the outslope. The MSHA identification sign is in place. Noncoal waste was not visible either within the material or on its surface.

9. Protection of Fish, Wildlife and Related Environmental Issues

Several musk thistle plants were observed along the Pond "E" bottom perimeter. Mr. Shaver noted these in his inspection book, indicating he would address these noxious weeds. The current spill prevention control and countermeasure plan was P.E. certified by Mr. Dan Guy on November 11, 2006.

16.a Roads: Construction, Maintenance, Surfacing

The Permittee had received several loads of surfacing gravel prior to today's inspection. The gravel was placed on primary road # PR-2 (See PLATE 1, of the Wildcat MRP) and a motor grader was spreading the material during today's inspection. PR-2 is the main truck access, and it contains the #1 truck dump grizzly and reclaim facility.

19. AVS Check

There have been no changes to the ownership and control information for the Wildcat Loadout facility.

20. Air Quality Permit

The current air quality permit, DAQE-005-00, was issued by the State of Utah DEQ/DAQ on January 5, 2000. As observed this day, the Permittee made several applications of water on the operational haul roads and operational pads during the course of today's inspection.

21. Bonding and Insurance

The Permittee's general liability insurance coverage was renewed prior to June 1, 2009, for a term of one year. Coverage amounts for each occurrence and general aggregate exceed the amounts required within the R645 Coal Mining Rules. The cancellation clause has been modified to exclude the word endeavor, and commits the policy provider to notification of the Division within 45 days of any policy change or cancellation by the Permittee. Coverage for damage incurred from the use of explosives is provided. Two surety bonds totaling \$ 1,144,000 provide reclamation coverage for this facility. Both are issued by the Rockwood Casualty Insurance Company, which has an A.M. Best rating of A.

22. Other

Relative to Division Order DO-04, Design Drawings and Specifications, Mr. Shaver intends to submit a response to the Division during the week of July 19, 2009.